

D.P.U. 95-46-I

Application of Massachusetts Electric Company, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of Public Utilities of the Company's proposed surcharge for the Residential Energy Conservation Service Program for fiscal year 1996 (July 1, 1995 through June 30, 1996). Massachusetts Electric Company is a member utility of Mass-Save, Inc., which provides services on its behalf.

APPEARANCE: Thomas G. Robinson, Esq.
New England Power Service Company
25 Research Drive
Westborough, Massachusetts 01582
FOR: MASSACHUSETTS ELECTRIC COMPANY
Petitioner

I. INTRODUCTION

On May 15, 1995, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., Massachusetts Electric Company ("MECo" or "Company") filed with the Department of Public Utilities ("Department") a petition for approval by the Department of the Company's proposed surcharge of \$0.21 per monthly bill for the residential energy conservation service ("ECS") program for the fiscal year July 1, 1995 through June 30, 1996 ("FY 1996"). MECo is a member utility of Mass-Save, Inc. ("MSI"), which provides ECS to the Company's customers on behalf of MECo. The petition was docketed as D.P.U. 95-46-I.

Pursuant to notice duly issued, a hearing was held at the offices of the Department on May 31, 1995. No petitions for leave to intervene were filed. In support of its petition, the Company sponsored the testimony of one witness: Colleen M. Gardner, senior rate analyst, New England Power Service Company.¹ The Company submitted one exhibit and responded to four record requests, and the Department submitted one exhibit, all of which were admitted into evidence.

II. ECS SURCHARGE

The ECS surcharge is calculated by dividing the total number of bills expected to be rendered during FY 1996 by the net amount to be collected (Exh. M-1, Section II at 1). The Company indicated that its share of MSI's proposed FY 1996 ECS program budget, approved by the Department in Mass-Save, Inc., D.P.U. 95-46 (1995), is \$2,106,245 (id.). In addition to the

¹ Ms. Gardner testified that New England Power Service Company provides professional, technical, and other services to the companies in the New England Electric System (Tr. at 4).

projected ECS program expenditures, the Company provided documentation which reconciled undercollections and overcollections from prior fiscal years (id.). The effect of these reconciling items is an undercollection of \$278,931 for the fiscal year July 1, 1994 through June 30, 1995 ("FY 1995"), and an undercollection of \$50,000 for the prior fiscal year (id.). The result is a net amount to be collected in FY 1996 of \$2,435,176 (id.).

For FY 1996, the Company proposed an ECS surcharge of \$0.21 per bill per month (Exh. M-1, at 3; Tr. at 5). The proposed ECS surcharge is \$0.03 more than the ECS surcharge of \$0.18 per bill per month approved by the Department in Massachusetts Electric Company, D.P.U. 94-81-D (1994), for FY 1995 (Tr. at 18). Ms. Gardner testified that the reason for the increase is that an approximate \$350,000 cumulative overcollection from previous years was applied to the FY 1995 surcharge calculations, which caused the surcharge factor to be lower than in FY 1996 (Tr. at 19).

III. FINDINGS

Based on the foregoing, the Department finds:

1. that the proposed FY 1996 ECS program budget, budget reconciliations, and proposed FY 1996 surcharge, are reasonable; and
2. that the ECS surcharge to be applied to Company bills during the fiscal year July 1, 1995 through June 30, 1996 shall be \$0.21 per bill per month.

IV. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That the ECS surcharge to be applied to Massachusetts Electric Company bills during the fiscal year July 1, 1995 through June 30, 1996 shall be \$0.21 per bill per month; and it is

FURTHER ORDERED: That Massachusetts Electric Company shall be required to file for an adjustment to its ECS surcharge in the event that it is overcollecting by more than ten percent at the end of the third quarter of FY 1996.

By Order of the Department,

Kenneth Gordon, Chairman

Mary Clark Webster, Commissioner

Janet Gail Besser, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).